## Central Intelligence Agency Washington, D.C. 20505

27 April 1982

**Executive Director** 

NOTE FOR: DCI

FROM:

EA/ExDir

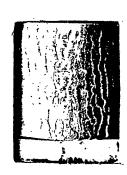
John wanted you to have the attached paper before you go to today's NSC. This identifies four countries in the Caribbean-Jamaica, The Dominican Republic, Dominica and St. Lucia--that would benefit most from additional U.S. assistance.

You should also have received a 15 April paper on "Prospects for Stability in the Caribbean Basin through 1984," which assesses the security situation there and likely threats to regional stability.

By 4 June you should receive a broader paper focusing on the status of about 30 strategic Third World countries and their implications for U.S. policy.



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DDI-2952 82/1

Executive Registry

82-8/88/6

23 April 1982

MEMORANDUM FOR:	Executive Director	
THROUGH:	Deputy Director for Intelligence	
FROM:	Director of African and Latin American Analysis	25X1
SUBJECT:	Assessments of Third World Countries	
Attached is	a memorandum in response to your request for a	
paper identifyin	ng pro-US countries in the Caribbean that could	
benefit from US	aid.	25X1
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Attachment: As stated		

Attachment contains Secret material. Upon removal of attachment regrade as Unclassified.

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Central Intelligence Agency



## Directorate of Intelligence 23 April 1982

The Caribbean: Economic Aid Requirements

## SUMMARY

This memorandum identifies four nations in the Caribbean region—Jamaica, the Dominican Republic, Dominica, and St. Lucia—that would benefit most from additional US assistance. Because economic problems are the chief threat to political stability in the region, increased economic aid is needed far more than military assistance. The amounts suggested here (see Table 1) would supplement existing aid packages such as the Caribbean Basin Initiative (CBI). Combined with an improved world economic situation, this assistance would strengthen democratic institutions in the recipient countries and increase US influence in the region.

The countries of the Caribbean Basin, except for oil-rich Trinidad and Tobago, have been hard hit by the escalating cost of oil and other imports and declining prices for their major exports—sugar, coffee, bauxite, This, in turn, has exacerbated the deep-rooted structural problems of such countries as Jamaica, the Dominican Republic, and the mini-states of the Eastern Caribbean. The result has been high unemployment, serious inflation, declining GDP growth, huge balance of payments deficits, and a pressing liquidity squeeze. This economic crisis threatens political and social stability throughout the region and creates conditions which Cuba and others seek to exploit through terrorism and subversion.

This memorandum was requested by the Executive	Director of the Central		
	the Middle America/		
Caribbean Division of the Office of African and Latin American Analysis.			
Information available through 20 April 1982 was used in preparing this			
memorandum. It was coordinated with the Directorate of Operations and the			
National Intelligence Officer for Latin America. Questions and comments are			
welcome and should be directed to Chief, Middle Amer	ica/Caribbean Division,		

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